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# HOUSING AUTHORITY OF THE CITY OF FARMERVILLE

Annual Audit Report

FARMERVILLE, LOUISIANA  
SEPTEMBER 30, 2000

*Jean Sickels*

**Certified Public Accountant**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

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Release Date 04/04/01

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HOUSING AUTHORITY  
OF THE CITY OF FARMERVILLE

Farmerville, Louisiana  
September 30, 2000

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*Jean Sickels*

**Certified Public Accountant**

**870 Cinderella Court  
Decatur, GA 30033-5812**

INDEPENDENT AUDITOR'S OPINION ON GENERAL-PURPOSE FINANCIAL STATEMENTS AND  
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Board of Commissioners  
Housing Authority of the  
City of Farmerville  
P.O. Box 446  
Farmerville, Louisiana 71241

HUD - New Orleans Office  
Public Housing Division  
Hale Boggs Federal Building  
501 Magazine Street  
New Orleans, Louisiana 70130-3099

I have audited the accompanying general-purpose financial statements of the Housing Authority of the City of Farmerville, as of and for the year ended September 30, 2000 as listed in the table of contents. These general-purpose financial statements are the responsibility of the Housing Authority's management. My responsibility is to express an opinion on these general-purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Farmerville as of September 30, 2000 and the results of its revenues, expenses and changes in retained earnings and cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with **Government Auditing Standards**, I have also issued my report dated February 28, 2001 on my consideration of the Housing Authority of the City of Farmerville's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was made for the purpose of forming an opinion on the general-purpose financial statements of the Housing Authority of the City of Farmerville, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, **Audits of States, Local Governments, and Non-Profit Organizations**, and is not a required part of the general-purpose financial statements. The accompanying Financial Data Schedule is presented for the purpose of additional analysis and is not a part of the general-purpose financial statements. The information in these schedules has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements, and, in my opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

*Jean Sickels*  
Certified Public Accountant

Decatur, Georgia  
February 28, 2001

**FINANCIAL STATEMENTS**

HOUSING AUTHORITY OF THE CITY OF FARMERVILLE  
Farmerville, Louisiana

BALANCE SHEETS  
SEPTEMBER 30, 2000

		ACC - FW-1218	
		Comprehensive	
	Low-Income	Improvement	(Totals
	Public	Assistance	Memorandum
	Housing	Program	Only)
<b>ASSETS</b>			
Current Assets			
Cash	\$ 40,040	\$ 0	\$ 40,040
Accounts receivable	539	14,099	14,638
Prepaid expenses	4,655	0	4,655
Inventory	3,503	0	3,503
Interfund	14,099	0	14,099
Current Assets	62,836	14,099	76,935
Property and Equipment			
Land, structure and equipment	105,151	15,714	120,865
Property and Equipment	105,151	15,714	120,865
<b>TOTAL ASSETS</b>	<b>\$ 167,987</b>	<b>\$ 29,813</b>	<b>\$ 197,800</b>
<b>LIABILITIES AND EQUITY</b>			
Current liabilities			
Accounts payable	\$ 6,020	\$ 0	\$ 6,020
Accrued liabilities	11,946	0	11,946
Interfund	0	14,099	14,099
Current liabilities	17,966	14,099	32,065
Equity			
Retained earnings	44,870	0	44,870
Contributed capital	105,151	15,714	120,865
Total equity	150,021	15,714	165,735
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 167,987</b>	<b>\$ 29,813</b>	<b>\$ 197,800</b>

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE CITY OF FARMERVILLE  
Farmerville, Louisiana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2000

	ACC - FW-1218		
	Comprehensive		
	Low-Income Public Housing	Improvement Assistance Program	(Totals Memorandum Only)
OPERATING REVENUES			
Total rental income	\$ 67,762	\$ 0	\$ 67,762
Other income	5,900	0	5,900
 TOTAL OPERATING REVENUE	 73,662	 0	 73,662
OPERATING EXPENSES			
Administrative	33,362	3,378	36,740
Utilities	823	0	823
Ordinary maintenance and operation	41,686	0	41,686
General expense	28,469	0	28,469
Depreciation expense	19,175	0	19,175
 TOTAL EXPENSES	 123,515	 3,378	 126,893
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental	16,818	28,378	45,196
Interest income	1,958	0	1,958
 TOTAL NONOPERATING REVENUES (EXPENSES)	 18,776	 28,378	 47,154
 NET INCOME (LOSS)	 (31,077)	 25,000	 (6,077)
RETAINED EARNINGS			
OCTOBER 1, 1999	49,305	0	49,305
 Net effect of change in fixed assets	 1,642	 0	 1,642
Operating transfers	25,000	(25,000)	0
 RETAINED EARNINGS			
SEPTEMBER 30, 2000	\$ 44,870	\$ 0	\$ 44,870

The accompanying notes are an integral part of these financial statements



HOUSING AUTHORITY OF THE CITY OF FARMERVILLE  
Farmerville, Louisiana

STATEMENTS OF CASH FLOWS  
SEPTEMBER 30, 2000

	Annual Contributions Contract FW-1218 Low-Income Public Housing
Cash Flows from Operating Activities	
Net income	\$ (6,077)
Net effect of change in fixed assets	1,642
Depreciation	19,175
(Increase) Decrease in:	
Accounts receivable	(1,370)
Prepaid expenses	1,178
Inventory	(3,503)
Increase (Decrease) in:	
Accounts payable	(6,820)
Accrued liabilities	5,437
Contributed capital	14,072
Net Cash Flows Provided (Used) by Operating Activities	23,734
Cash Flows from Investing Activities	
Purchase of fixed assets	(33,247)
Net Cash Flows Provided (Used) by Investing Activities	(33,247)
Net Increase (Decrease) in Cash	(9,513)
Beginning Cash and Cash Equivalents	49,553
Ending Cash and Cash Equivalents	\$ 40,040

The accompanying notes are an integral part of these financial statements



HOUSING AUTHORITY OF THE CITY OF FARMERVILLE  
Farmerville, Louisiana

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2000

NOTE A - Summary of Significant Accounting Policies:

The HOUSING AUTHORITY OF THE CITY OF FARMERVILLE ("The Authority") was established under the provision of Louisiana Statutes, to provide adequate housing at rents which persons of low-income can afford in areas where there exists a shortage. To accomplish this purpose, the Authority has entered into annual contributions contract with the U.S. Department of Housing and Urban Development (HUD) to be the Administrator of a public housing program (Contract No. FW-1218).

Reporting Entity

Management of the Housing Authority of the City of Farmerville has reviewed all potential component units to determine if any should be included in these financial statements. Management has concluded that there are no component units that should be included in these financial statements.

In evaluating the Authority as a reporting entity, management has addressed its relationship with the City and concluded that the City does not maintain an oversight responsibility for the Authority's operations. An independent Board of Commissioners, appointed by the City is responsible for the activities of the Authority. The Authority recruits and employs its executive staff and has substantial legal authority to control its affairs without requiring approval of the City government. Debt incurred by the Authority is not an obligation of the City, the City does not review or approve the Authority's budget, is not entitled to any surplus funds generated by the Authority's operations and is not responsible for any deficits incurred by the Authority. Consequently, in accordance with evaluating the criteria set forth in Section 2100 and 2600 of the Governmental Accounting Standards Board Codification, management has concluded that the Authority is a separate reporting entity.

HOUSING AUTHORITY OF THE CITY OF FARMERVILLE

The financial statements of the HOUSING AUTHORITY OF THE CITY OF FARMERVILLE include the following:

Management:

Low-Income Public Housing

Units

40

Basis of Presentation

The accounting policies of the Authority conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Accounting Policies - The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Fund accounting - The financial activities of the Authority are recorded in separate funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, retained earnings, income and expenses.

HOUSING AUTHORITY OF THE CITY OF FARMERVILLE  
Farmerville, Louisiana

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2000  
(Continued)

NOTE A - Summary of Significant Accounting Policies: (Continued)

Proprietary funds:

Proprietary funds are used to account for the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Authority applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. Proprietary funds include the following fund type:

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred, and / or net income is necessary for management accountability.

Basis of accounting - Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statements have been prepared using the accrual basis of accounting for all Governmental Funds. Accordingly, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Budgets - Budgets are adopted on the basis of accounting consistent with the basis of accounting for the fund to which it applies. The Authority prepares annual operating budgets for the Low Income Public Housing program. The budgets are formally adopted by its governing Board and are approved by the funding agency. The budgets for the programs funded by HUD form the basis of the Federal Financial Assistance received through HUD.

The Combined Statement of Revenues, Expenditures and Changes in Net Assets - Budget to Actual has not been presented in this report. This presentation has been omitted because the authority does not annually adopt a legally authorized budget. The authority's budget is adopted by the authority's board and approved by HUD. This budget does not represent an appropriated budget that has been signed into law or a nonappropriated budget authorized by constitution. The authority's budget represents budgetary execution and management by it's board and HUD, therefore, budgetary data and presentation is not required.

Cash Deposits and Investments - Cash Deposits and Investments consist of Certificates of Deposit and Discount Notes issued by agencies of the United States Government and are stated at fair value. Cash deposits and investments are fully collateralized or vested in securities of the United States Government and are identified specifically in the name of the Authority. All cash deposits and investments are classified as category 1 investments. Category 1 investments are insured or registered or are securities that are held by the government or it's agent in the government name.

Tenant Receivables - Receivables for rentals and service charges are reported in the General Fund at net of an allowance for doubtful accounts. The Housing Authority Board takes monthly action as required to write off specific uncollectible accounts receivable balances.

HOUSING AUTHORITY OF THE CITY OF FARMERVILLE  
Farmerville, Louisiana

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2000  
(Continued)

NOTE A - Summary of Significant Accounting Policies: (Continued)

Fixed assets - Fixed assets purchased are recorded capitalized at the time of purchase. Such assets are recorded at cost. Donated assets are recorded at fair market value at the date of donation. Because developments and major capital repairs or improvements are financed through cash advances from HUD, there are no capitalized interest costs in current programs.

Depreciation of property and equipment is computed by the straight-line method based upon the estimated useful lives of the assets as follows:

<u>Class</u>	<u>Life</u>
Building	40 years
Leasehold improvements	15 years
Furniture & Fixtures	7 years
Maintenance equipment	5 years

Compensated Absences - Employees earn annual leave and sick leave. At termination, employees are paid for any accumulated annual leave. The liability for accumulated annual leave at the balance sheet date is reported in the Enterprise fund.

NOTE B - Accounts Receivable:

Accounts receivable at September 30, 2000 consist of the following:

Accounts receivable miscellaneous	\$ 452
Accounts receivable HUD	14,099
Accrued interest receivable	<u>87</u>
Total	<u>\$ 14,638</u>

NOTE C - Cash Deposits and Investments:

The Authority's cash deposits include deposits with financial institutions. The carrying amount of the Authority's deposits was \$40,040 and the bank balance was \$49,550. The bank balance is categorized as follows:

Amount insured by the FDIC or collateralized with securities held by third party custodians in Authority's name	\$ 49,550
Amount collateralized with securities held by the Pledging financial institution's trust department in the Authority's name	<u>0</u>
Total bank balance	<u>\$ 49,550</u>

Investments made by the Authority are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:



HOUSING AUTHORITY OF THE CITY OF FARMERVILLE  
Farmerville, Louisiana

NOTES TO FINANCIAL STATEMENTS  
September 30, 2000  
(Continued)

NOTE C - Cash Deposits and Investments:  
(Continued)

- Category 1 - Insured or registered, or security's held by the Authority or its agent in the Authority's name
- Category 2 - Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Authority's name.
- Category 3 - Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent, but not in the Authority's name.

Cash, Deposits and Investments at September 30, 2000 consist of the following:

	<u>Category</u>			<u>Carrying</u>	<u>Market</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>	<u>Value</u>
Certificates of Deposit	\$ 31,328	\$ 0	\$ 0	\$ 31,328	\$ 31,328
Checking	8,712	0	0	8,712	8,712
	<u>\$ 40,040</u>	<u>\$ 0</u>	<u>\$ 0</u>	40,040	40,040
Investment in state investment pool				0	0
Total investments				<u>\$ 40,040</u>	<u>\$ 40,040</u>

NOTE D - Prepaid Expenses:

Prepaid expenses at September 30, 2000 consist of the following:

Prepaid insurance \$ 4,655

NOTE E - Inventory:

Inventory at December 31, 1999 consist of the following:

Materials and supplies \$ 3,503

Materials inventories are recorded at cost. The FIFO inventory flow assumption is used to determine expenditures. Expenditures are recorded when inventory is consumed.

NOTE F - Inter program accounts receivable and payable:

Inter program accounts receivable and payable consist of the following:

	<u>Accounts</u>	<u>Accounts</u>
	<u>Receivable</u>	<u>Payable</u>
Low Rent Public Housing	\$ 14,099	\$ 0
Comprehensive Improvement Assistance	<u>0</u>	<u>14,099</u>
Total	<u>\$ 14,099</u>	<u>\$ 14,099</u>

HOUSING AUTHORITY OF THE CITY OF FARMERVILLE  
Farmerville, Louisiana

NOTES TO FINANCIAL STATEMENTS  
September 30, 2000  
(Continued)

NOTE G - Fixed Assets:

A summary of changes in fixed assets is as follows:

	Balance September 30, 1999	Additions	Retirements	Balance September 30, 2000
Land	\$ 6,430	\$ 0	\$ 0	\$ 6,430
Building	772,395	12,500	0	784,895
Equipment	43,111	5,033	( 3,067)	45,077
Leasehold Improvements	92,125	0	0	92,125
Construction in Progress	0	15,714	0	15,714
Accumulated Depreciation	( 807,268)	3,067	( 19,175)	(823,376)
	<u>\$ 106,793</u>	<u>\$ 36,314</u>	<u>\$ ( 22,242)</u>	<u>\$ 120,865</u>

Major construction renovation through the Modernization Grant Program costs of \$27,174 are yet to be expended under the current programs. HUD has approved funding for the above amount.

Current period depreciation expense is \$19,175.

NOTE H - Accounts payable:

Accounts payable at September 30, 2000, consist of the following:

Vendors and contractors	\$ 3,615
Security deposits	<u>2,405</u>
	<u>\$ 6,020</u>

NOTE I - Accrued liabilities:

Accrued liabilities at September 30, 2000, consist of the following:

Payment in lieu of taxes	<u>\$11,946</u>
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NOTE J - Annual Contributions by Federal Agencies:

Annual Contributions Contract FW-1218- Pursuant to the Annual Contributions Contract, HUD contributes an operating subsidy approved in the operating budget under the Annual Contributions Contract. Operating subsidy contributions for the Low-Income Public Housing Program were as follows:

For the year ended September 30, 2000	<u>\$ 16,818</u>
---------------------------------------	------------------

NOTE K - Contingencies:

The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. There were no examinations for the year ended September 30, 2000. Areas of noncompliance, if any, as a result of examinations would be included as a part of the "Findings and Questioned Costs" section of this report.

HOUSING AUTHORITY OF THE CITY OF FARMERVILLE  
Farmerville, Louisiana

NOTES TO FINANCIAL STATEMENTS  
September 30, 2000  
(Continued)

NOTE L - Risk Management:

The Authority is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance coverage for these risks to the extent deemed prudent by Authority management.

NOTE M - Schedule of Expenditures of Federal Awards:

The Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting as described in Note A.

Major Programs

Programs are labeled as either a type "A" program or a type "B" program as required by OMB Circular A-133. Type "A" programs are programs that have expenditures in excess of 300,000. Type "B" programs have expenditures of less than 300,000.

SUPPLEMENTAL INFORMATION



PHA: LA052 FYED: 09/30/2000

Line Item #	Account Description	Low Rent Public Housing	Public Housing Assistance Program	Total
111	Cash - Unrestricted	\$37,635	\$0	\$37,635
114	Cash - Tenant Security Deposits	\$2,405	\$0	\$2,405
100	Total Cash	\$40,040	\$0	\$40,040
122	Accounts Receivable - HUD Other Projects	\$0	\$14,099	\$14,099
125	Accounts Receivable - Miscellaneous	\$452	\$0	\$452
126	Accounts Receivable - Tenants - Dwelling Rents	\$1,677	\$0	\$1,677
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$-1,677	\$0	\$-1,677
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0
129	Accrued Interest Receivable	\$87	\$0	\$87
120	Total Receivables, net of allowances for doubtful accounts	\$539	\$14,099	\$14,638
142	Prepaid Expenses and Other Assets	\$4,655	\$0	\$4,655
143	Inventories	\$3,503	\$0	\$3,503
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0
144	Interprogram Due From	\$14,099	\$0	\$14,099
150	Total Current Assets	\$62,836	\$14,099	\$76,935
161	Land	\$6,430	\$0	\$6,430
162	Buildings	\$784,895	\$0	\$784,895
163	Furniture, Equipment & Machinery - Dwellings	\$20,396	\$0	\$20,396
164	Furniture, Equipment & Machinery - Administration	\$24,681	\$0	\$24,681
165	Leasehold Improvements	\$92,125	\$0	\$92,125
166	Accumulated Depreciation	\$-823,376	\$0	\$-823,376
167	Construction In Progress	\$0	\$15,714	\$15,714
160	Total Fixed Assets, Net of Accumulated Depreciation	\$105,151	\$15,714	\$120,865
180	Total Non-Current Assets	\$105,151	\$15,714	\$120,865
190	Total Assets	\$167,987	\$29,813	\$197,800

PHA: LA052 FYED: 09/30/2000

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Assistance Program	Comprehensive Improvement	Total
312	Accounts Payable <= 90 Days	\$3,615		\$0	\$3,615
333	Accounts Payable - Other Government	\$11,946		\$0	\$11,946
341	Tenant Security Deposits	\$2,405		\$0	\$2,405
347	Interprogram Due To	\$0		\$14,099	\$14,099
310	Total Current Liabilities	\$17,966		\$14,099	\$32,065
350	Total Noncurrent Liabilities	\$0		\$0	\$0
300	Total Liabilities	\$17,966		\$14,099	\$32,065
504	Net HUD PHA Contributions	\$105,151		\$15,714	\$120,865
508	Total Contributed Capital	\$105,151		\$15,714	\$120,865
511	Total Reserved Fund Balance	\$0		\$0	\$0
512	Undesignated Fund Balance/Retained Earnings	\$44,870		\$0	\$44,870
513	Total Equity	\$150,021		\$15,714	\$165,735
500	Total Liabilities and Equity	\$167,987		\$29,813	\$197,800



PHA: LA052 FYED: 09/30/2000

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Assistance Program	Comprehensive Improvement	Total
703	Net Tenant Rental Revenue	\$64,634		\$0	\$64,634
704	Tenant Revenue - Other	\$3,128		\$0	\$3,128
705	Total Tenant Revenue	\$67,762		\$0	\$67,762
706	HUD PHA Grants	\$16,818		\$28,378	\$45,196
711	Investment Income - Unrestricted	\$1,958		\$0	\$1,958
715	Other Revenue	\$5,900		\$0	\$5,900
700	Total Revenue	\$92,438		\$28,378	\$120,816

PHA: LA052 FYED: 09/30/2000

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Assistance Program	Total
912	Auditing Fees	\$3,133	\$0	\$3,133
913	Outside Management Fees	\$21,872	\$0	\$21,872
915	Employee Benefit Contributions - Administrative	\$612	\$0	\$612
916	Other Operating - Administrative	\$7,745	\$3,378	\$11,123
931	Water	\$87	\$0	\$87
932	Electricity	\$398	\$0	\$398
933	Gas	\$309	\$0	\$309
938	Other Utilities Expense	\$29	\$0	\$29
942	Ordinary Maintenance and Operations - Materials and Other	\$8,079	\$0	\$8,079
943	Ordinary Maintenance and Operations - Contract Costs	\$33,607	\$0	\$33,607
961	Insurance Premiums	\$8,145	\$0	\$8,145
963	Payments in Lieu of Taxes	\$6,381	\$0	\$6,381
964	Bad Debt - Tenant Rents	\$13,943	\$0	\$13,943
969	Total Operating Expenses	\$104,340	\$3,378	\$107,718
970	Excess Operating Revenue over Operating Expenses	\$-11,902	\$25,000	\$13,098
974	Depreciation Expense	\$19,175	\$0	\$19,175
900	Total Expenses	\$123,515	\$3,378	\$126,893
1001	Operating Transfers In	\$25,000	\$0	\$25,000
1002	Operating Transfers Out	\$0	\$-25,000	\$-25,000
1010	Total Other Financing Sources (Uses)	\$25,000	\$-25,000	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$-6,077	\$0	\$-6,077

PHA: LA052 FYED: 09/30/2000

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Assistance Program	Total
1101	Capital Outlays Enterprise Fund	\$0	\$15,714	\$15,714
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0
1103	Beginning Equity	\$156,098	\$0	\$156,098
1112	Depreciation Add Back	\$17,185	\$0	\$17,185
1120	Unit Months Available	480	0	480
1121	Number of Unit Months Leased	422	0	422

HOUSING AUTHORITY OF THE CITY OF FARMERVILLE  
Farmerville, Louisiana

SEPTEMBER 30, 2000

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I - SUMMARY OF AUDITORS RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

~ Material weakness(es) identified?       yes   X  no

~ Reportable condition(s) identified that are not considered to be material weaknesses?       yes   X  none reported

Noncompliance material to financial statements noted?       yes   X  no

FEDERAL AWARDS

Internal control over major programs:

~ Material weakness(es) identified?       yes   X  no

~ Reportable condition(s) identified that are not considered to be material weakness(es)?       yes   X  none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?       yes   X  no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.850	Low Income Public Housing

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee?       yes   X  no

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no Financial Statement Findings during the current audit period.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal Award Findings and Questioned Costs during the current audit period.



HOUSING AUTHORITY OF THE CITY OF FARMERVILLE  
Farmerville, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2000

<u>ANNUAL CONTRIBUTION CONTRACT</u>	<u>PROGRAM AND ASSISTANCE TYPE</u>	<u>CFDA NUMBER</u>	<u>AMOUNT</u>	<u>EXPENDITURES</u>
FW-1218	<u>U. S. DEPARTMENT OF HUD</u> Low Income Public Housing	14.850	\$ 16,818	\$ 16,818 B*
FW-1218	Comprehensive Improvement Assistance Program	14.852	<u>79,691</u>	<u>28,378</u> B
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 96,509</u>	<u>\$ 45,196</u>

A - Indicates a type "A" federal financial assistance program as defined by OMB Circular A-133

B - Indicates a type "B" federal financial assistance program as defined by OMB Circular A-133

\* - Indicates a program audited as major.



*Jean Sickels*

**Certified Public Accountant**

**870 Cinderella Court  
Decatur, GA 30033-5812**

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF GENERAL-PURPOSE FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
Housing Authority of the  
City of Farmerville  
P.O. Box 446  
Farmerville, Louisiana 71241

HUD - New Orleans Office  
Public Housing Division  
Hale Boggs Federal Building  
501 Magazine Street  
New Orleans, Louisiana 70130-3099

I have audited the general-purpose financial statements of the Housing Authority of the City of Farmerville, as of and for the year ended September 30, 2000 and have issued my report thereon dated February 28, 2001. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Farmerville's general-purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under **Government Auditing Standards**.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Housing Authority of the City of Farmerville's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Jean Sickels*  
Certified Public Accountant

Decatur, Georgia  
February 28, 2001

*Jean Sickels*

**Certified Public Accountant**

**870 Cinderella Court  
Decatur, GA 30033-5812**

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**

Board of Commissioners  
Housing Authority of the  
City of Farmerville  
P.O. Box 446  
Farmerville, Louisiana 71241

HUD - New Orleans Office  
Public Housing Division  
Hale Boggs Federal Building  
501 Magazine Street  
New Orleans, Louisiana 70130-3099

**Compliance**

I have audited the compliance of the Housing Authority of the City of Farmerville with the types of compliance requirements described in the **U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement** that are applicable to each of its major federal programs for the year ended September 30, 2000. The Housing Authority of the City of Farmerville's major federal programs are identified in the summary or auditor's results section of the accompanying schedule of expenditures of federal awards. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority of the City of Farmerville's management. My responsibility is to express an opinion on the Housing Authority of the City of Farmerville's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States; and OMB Circular A-133, **Audits of States, Local Governments, and Non-Profit Organizations**. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the City of Farmerville's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Housing Authority of the City of Farmerville's compliance with those requirements.

In my opinion, the Housing Authority of the City of Farmerville complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2000.

**Internal Control Over Compliance**

The management of the Housing Authority of the City of Farmerville is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the Housing Authority of the City of Farmerville's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Jan Sickel", with a stylized flourish at the end.

Certified Public Accountant

Decatur, Georgia  
February 28, 2001